

It would be unwise, most unfortunate, if the international community's bureaucrats, executives, failed to do their job at this point.

Let us move the paper. Let us do the job. Let us complete the job of restoring Haiti's democracy. Let us do what is necessary to rebuild the economy of Haiti.

□ 1845

BALANCING OUR BUDGETS IN A POSITIVE MANNER

The SPEAKER pro tempore (Mr. KINGSTON). Under a previous order of the House, the gentleman from Florida [Mr. SCARBOROUGH] is recognized for 5 minutes.

Mr. SCARBOROUGH. Mr. Speaker, this week as we start talking about the very important tax debate and the budget debate, I am looking forward to hearing positive discussions on where we move this country over the next 5, 10, 15 years, to see if we will finally come to grips with the economic uncertainties and try to balance our budgets and at the same time try to move forward in a positive manner to make sure we put money back into the pockets of middle-class, working Americans who for too long had seen their money sucked up in Washington and they see absolutely no return for their money.

Unfortunately, instead of this afternoon of hearing discussions along those lines, we have heard that the Republicans have killed school lunch programs, we have heard that the Republicans have killed Big Bird, we have heard that the Republicans are slashing education funding.

Well, let me tell you something: All three of those facts are simply misrepresentations, and they are wrong.

First of all, you are not cutting spending on a bureaucratic program if you spend more money next year than you spent the previous year. Take, for instance, funding for school lunch programs. Over the next 4 years, under the current proposals that passed through this House, we will be spending more money on school lunch programs than we spent in the previous year. Maybe in Washington there is some sort of new math that I do not understand. I am a freshman here. Maybe I am a little shrill, I do not know. The fact of the matter is if you spend more money next year than you spent last year, in middle-class America, where I come from, or in small businesses across the country where I worked, that is called a spending increase. Let us reframe the debate and let us get serious about it.

When you come to the floor and talk about killing Big Bird, when the fact of the matter is the Republican majority voted against killing Big Bird, so to speak, when the Crane amendment was on the floor, then you are not killing Big Bird.

The fact of the matter is it is more Washington-speak, more emotional dribble that is supposed to inflame people and get everybody excited and

aroused in the debate, to give this false impression that we are cutting all these spending programs.

I am humored by calls out there where the question is asked, "Do you believe Republicans are cutting too much?" Some people are saying "yes" because of the debate we are hearing on the floor. The fact of the matter is we have not cut anything yet. We have not gone far enough.

You take educational funding, for instance. We hear talks about how we are bold and cruel and going to be cutting education. Well, let me tell you something, you can be for children and you can be for education without being for a huge Federal educational bureaucracy that has wasted money over the past 20 years and provided little, few results.

Take the Department of Education bureaucracy in Washington, for instance. It was established in 1979. Most everybody understands that it was a payoff from Jimmy Carter to the teachers union, the NEA, to have their own Federal bureaucracy up here. But the fact of the matter is, if you look at the money that has been poured into that bureaucracy over the past 20 years and look at the results, you will see that our children are not getting the best bang for the buck. The fact of the matter is in the years since the Department of Education bureaucracy was established, test scores have gone down, violence in school has gone up, dropout rates have gone up and every other measure by which we measure our educational institutions have shot down.

Let us reframe the debate and say it this way: Because I care for children, because I care for education, I am going to be against blowing more money on a Federal educational bureaucracy, and I am going to allow parents and teachers and students and people in the individual communities to have more of the say-so over how we teach our children than a bureaucrat in Washington.

While we are at it, we can reframe the debate on all these other Federal agencies that have exploded over the past 30 years since the Great Society. We have spent \$5 trillion on Lyndon Johnson's so-called war on poverty that ended up being a war on the family, ended up being a war on hard work, and a war on personal discipline, and so forth.

We have to reframe the debate and speak straight to the American people. We owe them that at the least.

REDUCING TAXES: THIS IS THE WEEK THAT WAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, after we finished this week, a lot of people are going to be saying, "This is the week that was." This is the week

that we are talking about reducing taxes.

You know, a year and a half ago this body increased taxes over the 5 years of the budget by \$25 billion. Economists have come to our budget committee and said tax increases are a depressant on economic growth and job growth.

So some of us thought that it would be good in the Contract With America to take away some of those giant tax increases from a year and a half ago. So the question was: How do we reduce some of those taxes in a way that is going to encourage economic growth, job growth in this country?

Well, I was looking at one bill that was concerned about what the United States was doing to encourage savings and investment as opposed to other countries of the world. Mr. Speaker, that is what this chart shows. I am not sure that everybody can see the chart, but let me just briefly go through the chart that shows that, compared to the other G-7 countries, the industrialized nations of this world, the United States ranks dead last in savings, we rank last in our investment in new machinery and equipment per worker, and, not surprisingly, we rank last in the increase of productivity.

So if we go to all of the economic thought that is prevailing now of what should be done to increase jobs, the suggestion is that we encourage savings and we encourage investment in that new machinery and equipment, that when it is put into the hands of those workers, it makes those workers more efficient, more productive, and ultimately increases our competitive position with the world.

That is why I introduced the bill, Neutral Cost Recovery, 2 years ago, to deal with the unfairness of the way our tax code treats those businesses that buy that machinery and equipment.

The legislation coming out in the tax bill that we are going to be considering for the next 3 days does essentially three things: It increases expensing. In other words, that amount of investment in capital machinery and equipment and facilities that is allowed to be deducted as an expense, as a business expense in the year of purchase, that is increased to \$35,000.

No. 2, that the remaining amount of that capital investment that is put on the depreciation schedule will be indexed for inflation and the time value of money. In other words, right now our Tax Code requires that you spread out toward the useful life of that property, 3, 5, 10, 15 years, that you spread out that deduction in what is called the depreciation schedule.

Neutral Cost Recovery indexes what you are otherwise allowed to depreciate for inflation.

The third element is something that has been very unfair to the businesses in this country; that is the alternative minimum tax.

So what we do to a business, when they figure up their tax and they have not made money that year, we again